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FIRST CRIMINAL DEFENDANTS PLEAD GUILTY IN PEER-TO-PEER COPYRIGHT PIRACY CRACKDOWN

WASHINGTON, D.C. – United States Attorney General John Ashcroft, United States Attorney for the District of Columbia Kenneth L. Wainstein, and Assistant Director in Charge of the FBI's Washington Field Office Michael A. Mason, announced that William R. Trowbridge, 50, of Johnson City, New York, and Michael Chicoine, 47, of San Antonio, Texas, each pleaded guilty to one count of conspiracy to commit felony criminal copyright infringement in what are the first federal convictions for copyright piracy using peer-to-peer networks. Their pleas were entered today in front of Judge Paul L. Friedman in the U.S. District Court for the District of Columbia.

"As today's pleas demonstrate, those who steal copyrighted material will be caught, even when they use the tools of technology to commit their crimes," said Attorney General John Ashcroft. "The theft of intellectual property victimizes not only its owners and their employees, but also the American people, who shoulder the burden of increased costs for goods and services. The Department of Justice is committed to pursuing and bringing to justice those who commit intellectual property theft."

Today's convictions resulted from Operation Digital Gridlock, a joint investigation conducted by the FBI, the U.S. Attorney's Office for the District of Columbia, and the Department of Justice's Computer Crime and Intellectual Property Section. Operation Digital Gridlock, announced on August 25, 2004, targeted illegal file-sharing of copyrighted materials over five Direct Connect peer-to-peer networks that belonged to an online group of hubs known as "The Underground Network." These networks required their users to share large quantities of computer files with other network users, all of whom could download each others' shared files.

"These prosecutions -- the first federal enforcement actions ever taken against criminal copyright theft over peer-to-peer networks -- send a powerful message to cyber-criminals," said U. S. Attorney Wainstein. "Like the defendants who pleaded guilty today, those who steal the work of others over the Internet stand to face serious consequences. These cases demonstrate the

professionalism and the commitment of our new Computer Hacking and Intellectual Property Unit to enhance our investigations and prosecutions of online intellectual property theft.”

From around August 2002 through August 2004, Trowbridge owned, maintained, operated, and moderated a Direct Connect hub named the "Movie@oom" and Chicoine owned, maintained, operated, and moderated a hub named "Achenon's Alley™" (pronounced "Achenon's Alley"). According to court documents, the defendants' hubs offered a wide variety of computer software, computer games, and music and movies in digital format, including some software titles that legitimately sell for thousands of dollars. During the investigation, government agents downloaded 35 copyrighted works worth \$4,820.66 from Chicoine's hub and over 70 copyrighted works worth \$20,648.63 from Trowbridge's hub. Both Trowbridge and Chicoine pleaded guilty to acting for commercial advantage or private financial gain, because in addition to distributing unauthorized copyrighted works, their hubs operated in order to obtain valuable infringing works from others.

The maximum penalties for a first-time offender convicted of conspiracy to commit felony criminal copyright infringement in violation of Title 17, United States Code, Section 506, and Title 18, United States Code, Sections 371 and 2319, are five years in prison, a fine of \$250,000, restitution to the victims, and the forfeiture and destruction of infringing copies and all equipment used to manufacture infringing copies. The defendants will be sentenced on April 29, 2005 at 2:30 pm. The investigation continues.

These cases are being prosecuted by District of Columbia Assistant United States Attorneys John Carlin and Sherri Schornstein and by Trial Attorney Scott L. Garland of the Department of Justice's Computer Crime and Intellectual Property Section.

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